



Army Benefits Center-Civilian



FERS - BRAC Overview

INTRODUCTION

ABC-C MISSION: We are a top performing, caring team of Civilian Human Resource professionals providing quality benefits and entitlements services to our customers through a centralized automated contact center.

ABC-C SERVICES: Provide advisory services and processes transactions for:

- Federal Employees Health Benefits (FEHB)**
- Federal Employees' Group Life Insurance (FEGLI)**
- Thrift Savings Plan (TSP)**
- Retirement (FERS & CSRS)**
- Survivorship (Death Claim Processing)**

FEDERAL EMPLOYEES RETIREMENT SYSTEM (FERS)

- **New employees first hired in covered position on/after 01-01-1987**
- **Contribute 0.8% of salary to FERS**
- **Contribute to Social Security**
- **Can contribute up to IRS limit to TSP, receive agency matching of 5% if you contribute at least 5% of your salary**
 - **Automatic 1% contribution regardless of your TSP contribution rate**
 - **First 3% of your contributions are matched dollar-for-dollar**
 - **Next 2% will be matched at 50 cents on the dollar**

CIVIL SERVICE RETIREMENT SYSTEM (CSRS) INTERIM

- Employees first hired on/after 01-01-1984 & certain rehires
- Reduced CSRS contribution rate of 1.3%
- Contribute to Social Security
- On 01-01-1987, employees with CSRS Interim coverage changed to:
 - CSRS Offset if you had at least 5 years of civilian service
 - FERS if you had less than 5 years of civilian service

CSRS COMPONENT

- If you have civilian service prior to your election of FERS, and
- The service was subject to CSRS retirement deductions, **or** Social Security deductions, but not both, and
- The total of these 2 types of service is 5 or more years, then
- This period of service is called a CSRS component, and that portion of your retirement annuity, or civilian deposit, etc. will be calculated using CSRS rules

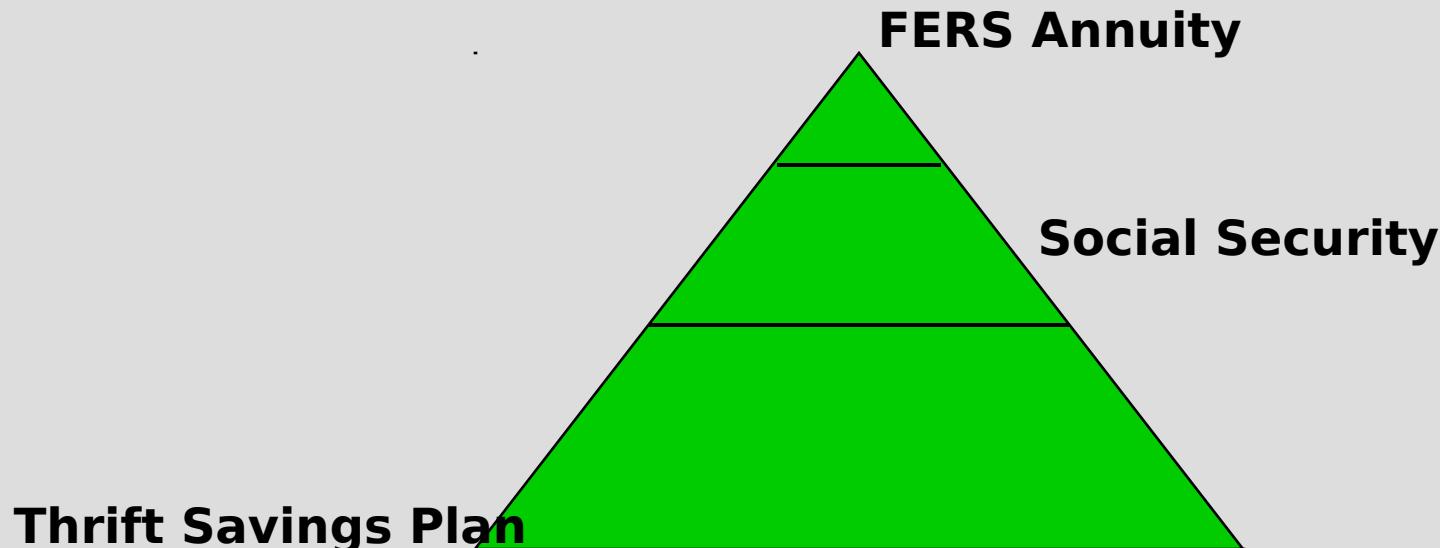
(If you have less than 5 years, the service is creditable under FERS rules)

FERS

FERS is a 3-tiered retirement system

FERS annuity is the smallest component

TSP WILL make up the largest portion of your total retirement



RETIREMENT SERVICE COMPUTATION DATE (RSCD)

- **Used to determine retirement eligibility and to calculate retirement annuity**
- **May not be the same as your Leave SCD (SCD that appears on your SF 50 & LES)**
- **Not all service that is creditable for leave is creditable for retirement**

RETIREMENT SERVICE COMPUTATION DATE (RSCD)

- Examples of service that is creditable for leave but not for retirement:
 - Non-Appropriated Fund (NAF) service on a temporary appointment
 - For retired military, campaign or combat service if retired military pay is not being waived
 - Military service when the military deposit has not been paid
 - Service on a temporary appointment performed on or after 01-01-1989

WHAT IS DEPOSIT SERVICE?

- Any period of potentially creditable service during which retirement deductions are not withheld:
 - Generally, non-career time such as temporary or indefinite service
 - Also known as non-deduction service
- Service that is now considered Federal employment, due to a change in the law that allows credit for retirement annuity computation purposes (Peace Corps, VISTA)
- Amount of deposit:
 - 1.3% of earnings + interest (3% of stipend for Peace Corps and VISTA)
 - Interest will vary by the date the service was performed
 - FERS with CSRS component, CSRS rules apply
 - FERS with no CSRS component, FERS rules apply

DEPOSIT SERVICE

Non-Deduction Service prior to 01-01-1989

**Deposit
Made**

**Deposit Not
Made**

**Credit for
eligibility (RSCD)
and Annuity
Computation**

**No credit for
eligibility (RSCD)
and Annuity
Computation**

DEPOSIT SERVICE

Non-Deduction Service on or after 01-01-1989

**DEPOSIT NOT
ALLOWED**

**No credit for Eligibility or Annuity
Computation**

REFUNDED SERVICE

**DEFINED AS: FERS Service for which
retirement contributions were refunded**



**FERS REDEPOSIT IS NOW
ALLOWED!**

Note:

- **FERS with CSRS component, CSRS rules apply**
- **FERS with no CSRS component, FERS rules apply**

REFUNDED SERVICE

Refunded FERS Service

**Redeposit
Made**

**Credit for
eligibility (RSCD)
and Annuity
Computation**

**Redeposit Not
Made**

**Credit for eligibility
(RSCD) and No
Credit in Annuity
Computation**

INTEREST RATES

| YEAR | RATE | YEAR | RATE | YEAR | RATE |
|------|--------|------|--------|-------------|---------|
| 2011 | 2.75% | 2001 | 6.375% | 1991 | 8.625% |
| 2010 | 3.125% | 2000 | 5.875% | 1990 | 8.75% |
| 2009 | 3.875% | 1999 | 5.75% | 1989 | 9.125% |
| 2008 | 4.75% | 1998 | 6.75% | 1988 | 9.125% |
| 2007 | 4.875% | 1997 | 6.875% | 1987 | 8.375% |
| 2006 | 4.125% | 1996 | 6.875% | 1986 | 9% |
| 2005 | 4.375% | 1995 | 7% | 1985 | 11.125% |
| 2004 | 3.875% | 1994 | 6.25% | 1984 | 13% |
| 2003 | 5% | 1993 | 7.125% | 1948 - 1984 | 3% |
| 2002 | 5.5% | 1992 | 8.125% | Before 1948 | 4% |

HOW TO PAY A CIVILIAN DEPOSIT OR REDEPOSIT

- Complete front page of SF 3108, *Application to Make Service Credit Payment (FERS)*, and send to the ABC-C.
- ABC-C will calculate an estimated deposit/redeposit amount and mail to OPM.
- OPM will notify you of final deposit/redeposit amount and payment procedures.
- OPM will send you a receipt and new balance each time payment is made.
- Ensure “Payment In Full” notice is filed in OPF.
- More information is available on the ABC-C website at <https://www.abc.army.mil/retirements/FERSDepositService.htm>

MILITARY DEPOSIT



PRE 01-01-1957

MILITARY SERVICE

**No deposit required for creditable
military service performed prior to
01-01-1957**



CREDIT FOR POST-56 MILITARY SERVICE

**IN RECEIPT OF MILITARY
RETIRED PAY**



**Based on Non -
Combat Disability
or Length of
Service**



**Based on Combat
Disability or Chapter
1223, Title 10
(Reserves)**



**No Credit unless
Military Retired
Pay is waived &
deposit is paid**



**Must Pay to receive
credit for Eligibility
(RSCD) & Annuity
Computation**

POST-56 MILITARY SERVICE

**Military Service
on/after 01-01-1957**



**Must Pay to receive
credit for Eligibility
(RSCD) & Annuity
Computation**

Amount of Deposit:

3% of basic pay earned + interest (2 years interest free)

(Interest will vary)

HOW TO PAY A MILITARY DEPOSIT

- Complete Form RI 20-97, *Estimated Earnings During Military Service*, and send to the appropriate branch of service (addresses are on the ABC-C website). Include copies of all of your DD 214s.
- Upon receipt of estimated earnings, include your DD 214, SF 3108 page 1 and SF 3108A and forward to the ABC-C. The ABC-C will calculate an estimate of the deposit owed and forward to DFAS.
- DFAS will finalize the amount owed and advise you of payment options. Payments are made directly to DFAS-Cleveland.
- Ensure “Payment In Full” notice is filed in OPF.
- More information is available on the ABC-C website at <https://www.abc.army.mil/retirements/FERSPost56.htm>

RETIREMENT ESTIMATE

- Request your retirement estimate sooner rather than later
- ABC-C will compute one retirement estimate per year
- Retirement estimate includes:
 - Verification of military & civilian service documented in your Official Personnel Folder (OPF)
 - Calculation of amount of civilian deposit and/or redeposit owed
 - Impact of unpaid civilian deposit/redeposit & military deposit on your retirement annuity
 - Confirmation of your current FEHB & FEGLI enrollment & your eligibility to continue these benefits into retirement

RETIREMENT REQUIREMENTS



TYPES OF RETIREMENT

- **Discontinued Service Retirement (DSR)**
- **Voluntary Early Retirement Authority (VERA)**
- **Optional retirement**
- **Deferred retirement**
- **Disability retirement**

DISCONTINUED SERVICE RETIREMENT (DSR)

- **Involuntary retirement - for those separated against their will**
- **Must receive a specific written notice of a proposed involuntary separation from your agency**
- **OPM has final approval to determine if separation is involuntary for DSR**
- **Allows you to retire & start receiving a retirement annuity**

DISCONTINUED SERVICE RETIREMENT (DSR)

EMPLOYEE ELIGIBILITY REQUIREMENTS:

- Age 50 with 20 years of creditable service**
- Any age with 25 years of creditable service**
- Must include 5 years of creditable civilian service**
- Public Law 104-208 gives you the right to use annual leave to reach initial eligibility for retirement and/or for continued health benefits coverage**

ELIGIBILITY FOR DSR

ALL of these conditions must be met:

- Age & service requirements
- Must have at least 5 years of creditable civilian service
- Separate from a position where you are contributing to FERS retirement
- Don't decline reasonable offer

EFFECT OF DSR ON RETIREMENT ANNUITY

- **NO age reduction in annuity for early retirement**
 - If you have a CSRS component, the CSRS portion of annuity will be reduced 2% each full year under age 55
- **Annuity starts day after separation**
- **You will receive an annuity supplement if:**
 - You retire at or after your MRA
 - If not, you will receive it **once you reach** your MRA
- **Not eligible for VSIP or severance pay**

VOLUNTARY EARLY RETIREMENT AUTHORITY (VERA)

- **Age 50 with at least 20 or more years of service***
- **Any age with at least 25 years of service***
- **Agency/Installation must approve**
- **No age reduction under FERS for early retirement**
 - **If you have a CSRS component, CSRS portion of annuity will be reduced 2% each full year under age 55**
- **You will receive an annuity supplement if:**
 - **You retire at or after your MRA**
 - **If not, you will receive it once you reach your MRA**

*** Must include 5 years of creditable civilian service**

OPTIONAL RETIREMENT

- **Minimum Retirement Age (MRA) with 30 years service**
- **60 years of age with 20 years service**
- **62 years of age with 5 years service**
- **MRA with at least 10 years but not more than 30 years service:**
 - **5% reduction for each year under age 62 (permanent reduction)**
 - **NOT entitled to an annuity supplement**

Best day to retire: Last day of the month!



MINIMUM RETIREMENT AGE (MRA)

IF YEAR OF
BIRTH IS...

THE MINIMUM
RETIREMENT AGE IS...

BEFORE 1948

1948
1949
1950
1951
1952
1953-1964
1965
1966
1967
1968
1969
1970 & AFTER

55

55 & 2 MONTHS
55 & 4 MONTHS
55 & 6 MONTHS
55 & 8 MONTHS
55 & 10 MONTHS
56
56 & 2 MONTHS
56 & 4 MONTHS
56 & 6 MONTHS
56 & 8 MONTHS
56 & 10 MONTHS
57

MINIMUM RETIREMENT AGE (MRA + 10)

POSTPONING RETIREMENT

- Separating employees can reduce or eliminate the 5% age reduction by postponing the commencing date of their MRA + 10 annuities.
- FEHB and FEGLI coverage may be reinstated prospectively if at time of separation the employee was eligible to continue coverage into retirement.

DEFERRED RETIREMENT

- If you leave Federal service before meeting age and service requirements to retire:
 - You may receive a deferred annuity at age 62 with at least 5 years of creditable service or at the Minimum Retirement Age (MRA) with at least 10 years of creditable service (5% age reduction) IF:
 - You are not eligible for an immediate annuity within 1 month of separation; and
 - You meet the minimum 5 years of creditable civilian service requirement at the time of separation; and
 - You do not take a refund of retirement deductions after separating from Federal service
- FEHB and FEGLI will not be reinstated at the time your annuity commences. Your application for retirement is sent directly to OPM.

NOTE: FERS annuity supplement is **NOT payable.**

RETIREMENT FORMS

- **SF 3107, Application for Immediate Retirement**
- **SF 3107, Schedule A (Military Service Information), Schedule B (Military Retiree Pay), Schedule C (Federal Employees Compensation Information)**
- **SF 3107-2, Spouse's Consent to Survivor Election**
- **SF 2818, Continuation of Life Insurance Coverage**
- **W-4P, Withholding Certification for Pension or Annuity Payment**
- **State Tax Forms, if applicable**
- **SF 2809, Health Benefits Registration Form**
- **DD 214, Report of Separation from Active Duty (or equivalent)**
- **OPM 1514, Military Deposit Worksheet**
- **OPM 1515, Military Service Deposit Election**
- **Written notice of proposed involuntary separation (DSR)**
- **<https://www.abc.army.mil/Forms/RetirementForms.htm>**

FERS ANNUITY SUPPLEMENT

- An estimated amount of Social Security benefits earned during FERS service
- Benefit paid until age 62 to certain FERS employees who retire before age 62 and are entitled to an immediate annuity
- Eligibility:
 - Has at least 1 calendar year of FERS service **AND**
 - Retires with an immediate annuity
 - At or after MRA with 30 years
 - At age 60 with 20 years of service
 - At or after MRA under Early/DSR
- Individuals NOT eligible for annuity supplement:
 - Disability Retiree
 - MRA +10 provision
 - Deferred Annuity
 - Retiring at age 62 or older
 - CSRS Employees
- Duration of annuity supplement:
 - Payable through the earlier of the following dates:
 - Last day of the month you become age 62
 - OR;**
 - Last day of the month before the first

FERS ANNUITY SUPPLEMENT

Supplement is tested for earnings above the Social Security exempt amount (\$14,160 for 2011)

- **Earnings include wages and self-employment income**
- **Income from severance pay (including VSIP), pensions, savings and investments are NOT subject to the earnings test.**
- **Annuity supplement will be offset by \$1 for every \$2 over this amount that is earned in 2011**



UNUSED SICK LEAVE

- For individuals covered by FERS:
 - Credit for **50%** of sick leave
 - Credit for **100%** in 2014
- For individuals who have transferred to FERS with a CSRS component, only the sick leave not included in the CSRS part of the calculation will be available under FERS



Chart 2. -- Sick Leave Chart 2087 Hours

Chart for Converting Hours of Unused Sick Leave to Months and Days (See section 50A2.1-3G).

| Days | 1 Day | 1 Month | 2 Months | 3 Months | 4 Months | 5 Months | 6 Months | 7 Months | 8 Months | 9 Months | 10 Months | 11 Months |
|------|-------|---------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|
| 0 | 0 | 174 | 348 | 522 | 696 | 870 | 1044 | 1217 | 1391 | 1565 | 1739 | 1913 |
| 1 | 6 | 180 | 354 | 528 | 701 | 875 | 1049 | 1223 | 1397 | 1571 | 1745 | 1919 |
| 2 | 12 | 186 | 359 | 533 | 707 | 881 | 1055 | 1229 | 1403 | 1577 | 1751 | 1925 |
| 3 | 17 | 191 | 365 | 539 | 713 | 887 | 1061 | 1235 | 1409 | 1583 | 1757 | 1930 |
| 4 | 23 | 197 | 371 | 545 | 719 | 893 | 1067 | 1241 | 1415 | 1588 | 1762 | 1936 |
| 5 | 29 | 203 | 377 | 551 | 725 | 899 | 1072 | 1246 | 1420 | 1594 | 1768 | 1942 |
| 6 | 35 | 209 | 383 | 557 | 730 | 904 | 1078 | 1252 | 1426 | 1600 | 1774 | 1948 |
| 7 | 41 | 214 | 388 | 562 | 736 | 910 | 1084 | 1258 | 1432 | 1606 | 1780 | 1954 |
| 8 | 46 | 220 | 394 | 568 | 742 | 916 | 1090 | 1264 | 1438 | 1612 | 1786 | 1959 |
| 9 | 52 | 226 | 400 | 574 | 748 | 922 | 1096 | 1270 | 1444 | 1617 | 1791 | 1965 |
| 10 | 58 | 232 | 406 | 580 | 754 | 928 | 1101 | 1275 | 1449 | 1623 | 1797 | 1971 |
| 11 | 64 | 238 | 412 | 586 | 759 | 933 | 1107 | 1281 | 1455 | 1629 | 1803 | 1977 |
| 12 | 70 | 243 | 417 | 591 | 765 | 939 | 1113 | 1287 | 1461 | 1635 | 1809 | 1983 |
| 13 | 75 | 249 | 423 | 597 | 771 | 945 | 1119 | 1293 | 1467 | 1641 | 1815 | 1988 |
| 14 | 81 | 255 | 429 | 603 | 777 | 951 | 1125 | 1299 | 1472 | 1646 | 1820 | 1994 |
| 15 | 87 | 261 | 435 | 609 | 783 | 957 | 1130 | 1304 | 1478 | 1652 | 1826 | 2000 |
| 16 | 93 | 267 | 441 | 615 | 788 | 962 | 1136 | 1310 | 1484 | 1658 | 1832 | 2006 |
| 17 | 99 | 272 | 446 | 620 | 794 | 968 | 1142 | 1316 | 1490 | 1664 | 1838 | 2012 |
| 18 | 104 | 278 | 452 | 626 | 800 | 974 | 1148 | 1322 | 1496 | 1670 | 1844 | 2017 |
| 19 | 110 | 284 | 458 | 632 | 806 | 980 | 1154 | 1328 | 1501 | 1675 | 1849 | 2023 |
| 20 | 116 | 290 | 464 | 638 | 812 | 986 | 1159 | 1333 | 1507 | 1681 | 1855 | 2029 |
| 21 | 122 | 296 | 470 | 643 | 817 | 991 | 1165 | 1339 | 1513 | 1687 | 1861 | 2035 |
| 22 | 128 | 301 | 475 | 649 | 823 | 997 | 1171 | 1345 | 1519 | 1693 | 1867 | 2041 |
| 23 | 133 | 307 | 481 | 655 | 829 | 1003 | 1177 | 1351 | 1525 | 1699 | 1873 | 2046 |
| 24 | 139 | 313 | 487 | 661 | 835 | 1009 | 1183 | 1357 | 1530 | 1704 | 1878 | 2052 |
| 25 | 146 | 319 | 493 | 667 | 841 | 1015 | 1188 | 1362 | 1536 | 1710 | 1884 | 2058 |
| 26 | 151 | 325 | 499 | 672 | 846 | 1020 | 1194 | 1368 | 1542 | 1716 | 1890 | 2064 |
| 27 | 157 | 330 | 504 | 678 | 852 | 1026 | 1200 | 1374 | 1548 | 1722 | 1896 | 2070 |
| 28 | 162 | 336 | 510 | 684 | 858 | 1032 | 1206 | 1380 | 1554 | 1728 | 1901 | 2075 |
| 29 | 168 | 342 | 516 | 690 | 864 | 1038 | 1212 | 1386 | 1559 | 1733 | 1907 | 2081 |

EXAMPLE: COMPUTING TOTAL SERVICE WITH UNUSED SICK LEAVE

TOTAL SERVICE

2012-12-31 (DOR)

- 1980-03-12 (Ret-SCD)

32-09-19

Unused Sick Leave

1136 hours =

(50% of 2272
hours)

+ 00-06-16

32-15-35

= 33-04-05

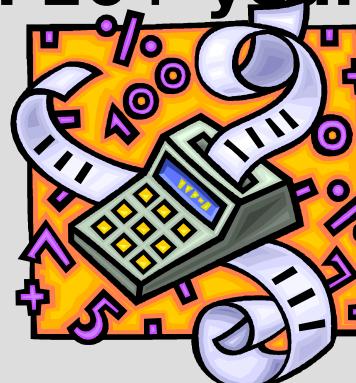
HIGH - 3 AVERAGE SALARY

- **Weighted average of highest 3 years of basic pay (including locality pay/local market supplement)**
- **Must be 3 consecutive years**
- **Is usually the last 3 years**
- **Is the highest salary, not the highest grade**
- **Normally, the beginning date of the 3 year period is determined by subtracting 3 years from the date of retirement**

ANNUITY COMPUTATION

FORMULA FOR COMPUTING ANNUITY FOR RETIREMENT:

- High-3 avg salary X 1.0% X years and months of service
- High-3 avg salary X 1.1% X years and months of service if you are age 62 with 20+ years of service



REDUCTIONS DEDUCTIONS

- Age Reduction (VERA/DSR)
- Deposit/Redeposit Service
- Election of Survivor Benefits
- Post-56 Military Deposit - (Applies to CSRS Employees hired before 10-01-1982, if eligible for Social Security; known as “Catch 62”)
- Health Benefits
- Life Insurance
- Federal Income Taxes
- Federal Employees Dental and Vision Insurance Program (FEDVIP)
- Federal Long Term Care Insurance Program (FLTCIP)
- State Tax (if applicable)



SURVIVOR ELECTION OPTIONS

- CURRENT Spouse Survivor Annuity**
---Full (50% of your annuity)
- FORMER Spouse Survivor Annuity**
---Full (50% of your annuity)
- Combination Current / Former Spouse Survivor Annuity**
- Insurable Interest Survivor Annuity**

- CURRENT Spouse Survivor Annuity**
---Partial (25% of your annuity)
- FORMER Spouse Survivor Annuity**
---Partial (25% of your annuity)
- Self Only Annuity (No survivor benefit)**

SURVIVOR BENEFIT COST / REDUCTION

- **Full/Max (50%) = 10% of annuity**
- **Partial (25%) = 5% of annuity**

Example: Maximum (50%) elected

Basic Annuity = \$12,000

$\$12,000 \times 10\% = -$

1,200 yearly cost After Reduction =

\$10,800 yearly annuity

Survivor will receive 50% of annuity = \$6,000

Example: Partial (25%) elected

Basic Annuity = \$12,000

$\$12,000 \times 05\% = - \underline{600}$

yearly cost After Reduction =

\$11,400 yearly annuity

Survivor will receive 25% of annuity = \$3,000

SURVIVOR BENEFIT PAYMENTS

- **The survivor benefit is payable for life unless the survivor remarries before age 55.**
- **Benefits will be restored if the remarriage terminates in death, annulment or divorce.**

DISABILITY RETIREMENT

- **Disability - Unable to render useful & efficient service because of disease or injury**
- **Must be in a position covered by FERS**
- **Minimum of 18 months creditable civilian service**
- **Disability annuity **IS** subject to Federal tax**

DISABILITY RETIREMENT

- Not eligible for FERS annuity supplement
- Required to apply for Social Security benefits
- Submit all forms for regular retirement

PLUS:

- **SF 3112A - Applicant's Statement of Disability**
- **SF 3112B - Supervisor's Statement**
- **SF 3112C - Physician's Statement**
- **SF 3112D - Agency Certification of Reassignment and Accommodation Efforts**
- **FedMER Eligibility Statement**

DISABILITY RETIREMENT ANNUITY AMOUNT IF UNDER AGE 62 AT SEPARATION:

| FIRST 12 MONTHS | AFTER 12 MONTHS |
|---|--|
| 60% x high 3 average salary | 40% x high 3 average salary |
| minus | minus |
| 100% of Social Security Benefits | 60% of Social Security Benefits |

Disability annuity is recomputed at age 62 to an amount that represents the annuity you would have received if you had continued working until the day before your 62nd birthday and then retired under non-disability provisions.

DISABILITY ANNUITY AMOUNT

If 62 or older or eligible for Optional Retirement, you receive an "earned annuity" based on the general FERS computation formula if you:

- Are 62 years old or older; OR**
- Meet the age and service requirements for regular, unreduced immediate retirement (MRA with 30 years, age 60 with 20 years, or age 62 with 5 years)**

DEATH-IN-SERVICE

- **If you die while still an active employee, your survivor *MAY* be entitled to death benefits**
- **In the event of your death, your supervisor needs to contact your servicing Human Resources (HR) representative or Human Resources Officer (HRO)**
- **HR will contact ABC-C**
- **An ABC-C counselor will contact the survivor within 24 hours**

DEATH-IN-SERVICE

Spousal Benefits: Monthly annuity (survivor benefits) payable if married to employee at least 9 months, and the employee has 10 years of FERS service

EXCEPTIONS to the 9 months of marriage requirement:

- Spouse is the parent of a child of the marriage, or**
- Death was accidental**

DEATH BENEFITS

Children's Benefit(s) are payable if:

- **The child is unmarried AND under 18, or**
- **Under age 22 if full-time student, or**
- **Any age and disabled before 18**
- **Children's Benefit is the same if death-in- service or death as an annuitant**

DEATH BENEFIT

- **Up to 3 children if a parent is living**
 - 2011 rate is \$469 per month per child
 - More than 3 children, \$1409 divided by # of children
- **Up to 3 children if no living parent**
 - 2011 rate is \$563 per month per child
 - More than 3 children, \$1691 divided by # of children
- **Amount reduced by Social Security benefits**

COST OF LIVING ADJUSTMENTS (COLA)

- Annual rate based on rise in Consumer Price Index (CPI)**

| Increase in CPI | Amount of COLA |
|------------------------|-----------------------|
| Up to 2% | Full CPI |
| 2% - 3% | 2% |
| 3% or more | CPI - 1% |

- Effective 1 Dec each year**
- Payable in Jan (1/12 of COLA for each month)**
- Must be 62 or older to receive**
- Disability annuitants and survivors receive COLA at any age**
- No COLA for 2011**

WINDFALL ELIMINATION PROVISION (WEP)

- **If you didn't pay Social Security taxes on your government earnings and you are eligible for Social Security benefits, the formula used to figure your benefit amount may be modified, giving you a lower Social Security benefit.**
- **WEP affects Social Security benefits when any part of your Federal service after 1956 is covered under the Civil Service Retirement System (CSRS). However, Federal service where Social Security taxes are withheld (Federal Employees Retirement System or CSRS Offset) will not reduce your Social Security benefit amounts.**

WINDFALL ELIMINATION PROVISION (WEP)

WEP does not apply to survivors benefits. It also does not apply if:

- You are a Federal worker first hired after December 31, 1983;**
- You were employed on December 31, 1983, by a nonprofit organization that did not withhold Social Security taxes from your pay at first, but then began withholding Social Security taxes from your pay;**
- Your only pension is based on railroad employment;**
- The only work you did where you did not pay Social Security taxes was before 1957; or**
- You have 30 or more years of substantial earnings under Social Security.**

GOVERNMENT PENSION OFFSET (GPO)

- If you receive a pension from a Federal, state or local government based on work where you did not pay Social Security taxes, your Social Security spouse's or widow's or widower's benefits may be reduced. You are exempt from the GPO if you were contributing to Social Security for your last 5 years of federal employment.
- Your Social Security benefits will be reduced by 2/3s of your government pension.
 - Monthly civil service pension - \$1,200
 - 2/3s offset to Social Security - \$ 800*
 - Spouse or survivor benefit - \$1,000
 - Final amount due - \$ 200

$(\$1,000 - \$800*) = \$200)$

<http://www.socialsecurity.gov/gpo-wep/>

FEHB IN RETIREMENT

**Self
Only**



**Self &
Family**

**Additional Information:
<http://www.opm.gov/insure/health>**

OPM Telephone: 1-888-767-
America's Army: The Strength of the Nation

6738

FEHB IN RETIREMENT

CONTINUATION INTO RETIREMENT

- **Retire on an immediate annuity**
- **Be insured on the date of retirement**
- **Covered for the 5 years of service prior to retirement **or** since your FIRST opportunity to enroll**
- **(special rules for DSR and VERA, see next slide)
Coverage as a family member under FEHB or CHAMPUS/TRICARE counts towards 5 year requirement (employee must be enrolled in FEHB prior to retirement)**

FEHB IN RETIREMENT

CONTINUATION INTO RETIREMENT

Pre-approved automatic waiver of 5-year requirement:

- **Must be enrolled in FEHB on the first day of the buyout period (October 1 of the current FY) and**
- **Retire during the buyout period; and**
- **Receive a buyout (VSIP); or**
- **Take early optional retirement (VERA) as a result of early-out authority; or**
- **Take a DSR based on involuntary separation**

FEHB IN RETIREMENT

EFFECT OF DSR ON FEHB

- If you are not currently enrolled in FEHB, you must be enrolled by October 1 of the FY in which you will separate.
- If you will be separating in 2011, and if you did not enroll due to a qualifying life event (QLE) before September 26, 2010, you must have enrolled during the 2009 open season (November 9 to December 14, 2009) to be able to continue FEHB into retirement.
- If you will be separating in 2012, and if you will be not enrolling due to a QLE before September 25, 2011, you must have enrolled **LAST OPEN SEASON** (November 8 to December 13, 2010) to be able to continue FEHB into retirement.

FEHB IN RETIREMENT

- **Cost of FEHB is the same for retirees and active employees except that premiums are paid on a monthly basis vs. bi-weekly**
- **Same Open Season and qualifying life event (QLE) opportunities as active employees**
- **Same FEHB plans available to retirees as active employees**
- **Once you cancel FEHB coverage in retirement, you can never re-enroll**
- **Retirement is not a qualifying life event for changing your FEHB enrollment**
- **At age 65, you must enroll in Medicare and it becomes your primary and your FEHB plan becomes your secondary provider**

FEHB IN RETIREMENT

- Retirees can suspend FEHB for TRICARE or Medicare (if enrolled in Medicare Advantage health plan) and return to FEHB coverage during Open Season or immediately upon involuntarily losing non-FEHB coverage.
- Retirees do NOT participate in Premium Conversion.
- Your spouse is eligible to continue FEHB coverage after your death only if you have Self and Family coverage and you elect to provide a survivor benefit at retirement.

MEDICARE

- **Part A (Hospitalization) - No Cost**
 - **Enrollment is automatic at age 65**
- **Part B (Medical) - Monthly premium based on yearly adjusted gross income**
- **Part D (Drug) - Monthly premium**



FEGLI IN RETIREMENT



Additional Information:

www.opm.gov/insure/life

OPM Telephone: 1-888-767-

6738

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FEGLI IN RETIREMENT

CONTINUATION INTO RETIREMENT

- **Retire on an immediate annuity**
- **Insured on date of retirement**
- **Enrolled in each Option and Multiple for the 5 years of service prior to retirement **OR** since your FIRST opportunity to enroll**
- **Election Form: SF2818 - Continuation Life Insurance Coverage - form requires 4 signatures**



FEGLI IN RETIREMENT

EFFECT OF DSR ON FEGLI

- **No waiver of any of the requirements to continue life insurance in retirement**
- **No exceptions to the “no waiver” rule**

FEGLI IN RETIREMENT

BASIC LIFE OPTIONS:

Basic Insurance Amount (BIA) is based on your final annual salary rounded up, plus \$2,000. Ex: \$51,400 = \$52,000 + \$2,000 = Amt of Basic Ins \$54,000

Options age 65

1. 75% reduction

Before age 65

BIA x .3250 (per \$1,000) *Coverage reduces 2% per mth for 57.5 mths until it reaches a final value of \$13,500*

ex: \$17.55 per month *NO COST*

2. 50% reduction
\$1,000)

ex: \$32.40 per month

Before age 65

BIA x .9250 (per \$1,000) *Coverage reduces 1% per mth for 50 mths until it reaches a final value of \$27,000*

BIA x .6000 (per \$1,000) *Coverage reduces 1% per mth for 50 mths until it reaches a final value of \$27,000*

ex: \$49.95 per month

3. NO reduction
(per \$1,000)

ex: \$98.82 per month

Before age 65

BIA x 2.1550 (per \$1,000) *America's Army: The Strength of the Nation*

BIA x 1.8300 *67*

ex: \$116.37 per month

FEGLI IN RETIREMENT

OPTION A - STANDARD COVERAGE:

OPTION A - Standard = \$10,000

| Age Group | Monthly Cost |
|-----------------------|---------------------|
| Under 35 | \$0.65 |
| 35 thru 39 | \$0.87 |
| 40 thru 44 | \$1.30 |
| 45 thru 49 | \$1.95 |
| 50 thru 54 | \$3.03 |
| 55 thru 59 | \$5.85 |
| 60 thru 64 | \$13.00 |
| 65 & above | NO COST |



At age 65 coverage reduces by 2% per month for 37.5 months until it reaches \$2,500.

FEGLI IN RETIREMENT

OPTION B - ADDITIONAL COVERAGE (1 - 5 MULTIPLES OF PAY):

**OPTION B - Ex: Annual Salary \$51,400 1x Multiple elected =
\$52,000**

| <u>Age Group</u> | <u>Mthly Cost @ \$1000</u> | <u>Mthly Cost</u> |
|---------------------------|----------------------------|---------------------|
| Under 35 | \$0.065 | \$3.38 |
| 35 thru 39 | \$0.087 | \$4.52 |
| 40 thru 44 | \$0.130 | \$6.76 |
| 45 thru 49 | \$0.195 | \$10.14 |
| 50 thru 54 | \$0.303 | \$15.76 |
| 55 thru 59 | \$0.607 | \$31.56 |
| 60 thru 64 | \$1.300 | \$67.60 |
| 65 thru 69 | \$1.560 | \$81.12 |
| 70 thru 74 | \$2.600 | \$135.20 |
| 75 thru 79 | \$3.900 | \$202.80 |
| 80 & Above | \$5.200 | \$270.40 |

FULL Reduction: At age 65 ~~80 & Above~~ **cost & coverage reduces by 2% per month for**

50 months at which time coverage will end.

NO Reduction: Coverage and premium will continue.

FEGLI IN RETIREMENT

OPTION C - FAMILY COVERAGE

(1 - 5 MULTIPLES):

OPTION C - Spouse = \$5,000 (1x Multiple) / Each Child = \$2,500 (1x Multiple)

| Age Group | Mthly Cost per Multiple | Mthly Cost (1x) |
|-----------------------|--------------------------------|------------------------|
| Under 35 | \$0.59 | \$0.59 |
| 35 thru 39 | \$0.74 | \$0.74 |
| 40 thru 44 | \$1.00 | \$1.00 |
| 45 thru 49 | \$1.30 | \$1.30 |
| 50 thru 54 | \$1.95 | \$1.95 |
| 55 thru 59 | \$3.14 | \$3.14 |
| 60 thru 64 | \$5.63 | \$5.63 |
| 65 thru 69 | \$6.50 | \$6.50 |
| 70 thru 74 | \$7.37 | \$7.37 |
| 75 thru 79 | \$9.75 | \$9.75 |
| 80 & above | \$13.00 | \$13.00 |

FULL Reduction: At age 65, no cost & coverage reduces by 2% per month for 50 months at which time coverage will end.

NO Reduction: Coverage and premium will continue.

TSP IN RETIREMENT



Thrift Savings Plan

Telephone: 1-877-968-3778

TDD: 1-877-847-4385

**Monday through Friday
7:00 a.m. - 9:00 p.m. ET**

**Mailing Address:
Post Office Box 385021
Birmingham, AL 35238**

<http://www.tsp.gov>

TSP IN RETIREMENT

EFFECT OF DSR ON TSP

- **If you retire before reaching age 55, there is a 10% penalty for withdrawing from your TSP account before age 59 1/2. **EXCEPTIONS:****
 - **If you elect to receive your TSP paid as substantially equal payments over your life expectancy**
 - **If you have TSP purchase a life annuity for you**
- **If you retire the year you reach age 55, or if you are already 55 or older at time of retirement, there is **NO** penalty**
- **For more information, contact TSP toll-free at 1-877-968-3778**

TSP IN RETIREMENT

WITHDRAWAL OPTIONS:

- Automatic cashout (accounts less than \$200)
- Leave money in the TSP
- Age-based withdrawal
- Full Withdrawal
 - Single payment
 - Monthly payments
 - Life annuity
- Mixed Withdrawal
- Must begin to receive TSP funds by April 1 of the year following the year you are 70 ½



HOW TO APPLY:

TSP-70 FORM -

Withdrawal Request

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TSP CATCH-UP CONTRIBUTIONS

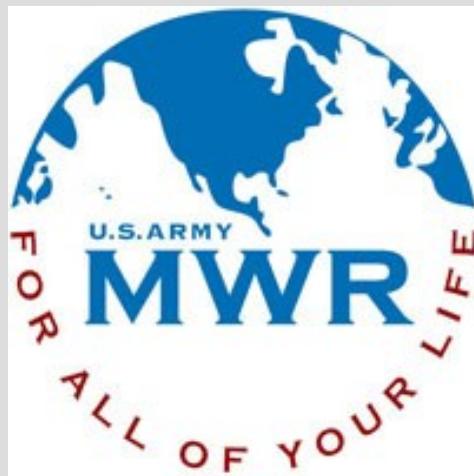
- Open to TSP participants age 50 or older
- Not eligible for agency automatic 1% matching contribution
- Limited to \$5,500 for year 2011
 - Must be contributing IRS yearly maximum, \$16,500 for 2011
 - Must make new election each year

**Elections made via EBIS at
<https://www.abc.army.mil> or
IVRS at 1-877-276-9287**

NON-APPROPRIATED FUND (NAF) RETIREMENT PROCESSING

NAF Retirement System - Contact nearest NAF office

FERS Retirement Plan - Contact the ABC-C



RETURNING TO FEDERAL EMPLOYMENT

IMPORTANT!!

If you are retiring and immediately being hired by NAF, transferring to other Federal employment, or returning as a reemployed annuitant, you must notify the ABC-C before your retirement is processed. This **should prevent erroneous payout of your lump sum annual leave.**

LONG TERM CARE INSURANCE (LTCI)

**Want to talk with a Certified Long Term
Care Insurance Consultant?**

**Tel: 1-800-LTC-FEDS (1-800-582-
3337)**

TTY: 1-800-843-3557

Mon - Fri 8 a.m. - 8 p.m. ET

Sat 9 a.m. - 5 p.m. ET

Closed Sun and Federal holidays

<http://www.ltcfeds.com>

FLEXIBLE SPENDING ACCOUNTS (FSA)

**To receive more information regarding FSAs,
please
contact a SHPS counselor.
Retirees are not eligible to continue FSA.**

Email: FSAFEDS@shps.net

**Telephone: 1-877-FSAFEDS (1-877-
372-3337)**

TTY: 1-800-952-0450

- Mon-Fri 9 a.m. - 9 p.m. ET**
- Closed Weekends and Holidays**
- <http://www.fsaafeds.com>**

FEDERAL EMPLOYEES DENTAL & VISION INSURANCE PROGRAM (FEDVIP)

Can enroll in dental, vision, or both

Self Only

Family Dental Benefits

Diagnostic
Preventative
Emergency Care
Restorative
Oral/Maxillofacial Surgery
Endodontics
Periodontics
Prosthodontics
Orthodontics



Self & One

Vision Benefits

Diagnostic Services
Preventative Services
Eyewear

- Glasses
- Contacts



ENROLL AT

<https://www.benefeds.com>

1-877-888-3337

TTY 1-877-889-5680

DESIGNATION OF BENEFICIARY

Beneficiary Forms:

- **SF 1152 (Unpaid Comp)**
- **SF 2823 (FEGLI)**
- **SF 3102 (FERS)**
- **TSP 3 (TSP)**



Order of Precedence:

- Court Order
- Designation of Beneficiary
- Widow or Widower
- Children (and/or descendants of deceased children)
- Parents
- Executor or Administrator of Estate
- Next of Kin

ABC-C RETIREMENT PROCESS

- **5 years prior to retirement eligibility:**
 - Contact the ABC-C for retirement estimate & information
 - Call ABC-C with questions on retirement estimate
- **180 days prior to retirement:**
 - Download forms from ABC-C website
 - Call ABC-C for help with the retirement forms
- **120 days prior to retirement:**
 - Mail original retirement forms to ABC-C
 - Maintain personal copy



ABC-C RETIREMENT PROCESS

- **ABC-C receives your retirement package:**
 - **Reviews retirement package**
 - **Sends letter acknowledging receipt and requests missing forms/documents**
 - **Requests OPF 60-90 days out**
- **30-60 days prior to retirement:**
 - **Retirement package assigned to counselor**

ABC-C RETIREMENT PROCESS

- **ABC-C retirement counselor:**
 - **Verifies required forms and documents**
 - **Processes retirement package**
 - **Provides final retirement counseling**
 - **Retirement package is forwarded to DFAS**

Provide good retirement address & contact information

RETIREMENT PROCESS

- **2 - 4 weeks after retirement:**
 - Final paycheck is received
 - Lump sum annual leave is paid
 - VSIP payments if applicable
- **6 - 8 weeks after retirement:**
 - Receive 1st INTERIM payment
 - Receive letter from OPM with CSA number

**Office of Personnel
Management Retirement
Operations Center
P.O. Box 45
Boyers, PA 16017**

www.opm.gov
email: retire@opm.gov
Tel: 1-888-767-6738

**Social Security
Administration
www.ssa.gov
www.medicare.gov
Tel: 1-800-772-1213**

**IRS Publication 721
www.irs.gov
Tel: 1-800-Tax-**

CHANGING OR WITHDRAWING YOUR RETIREMENT

- Your request to change your date of retirement or to withdraw your retirement application must be in writing and
 - Must be signed
 - May be faxed to ABC-C at 785-239-6228
- If you are receiving a VERA and/or VSIP, your request should be signed by your CPAC/HR Professional
- Submit the request to ABC-C as soon as you have made a decision
- Changing or withdrawing your retirement **MAY** cause problems with your paycheck

ABC-C AUTOMATED SYSTEMS

Employee Benefits Information System (EBIS) - Web Based

- Customer-friendly
- Available 24 hours a day
- Secure site
- Ability to read at convenience
- Ability to print screens of information
- Can process benefits transactions without counselor assistance
- Ability to print benefits forms
- Estimate calculators
- ABC-C website: <https://www.abc.army.mil>



ABC-C AUTOMATED Interactive Voice Response System (IVRS) - Telephone

- **Can connect with a counselor if needed**
- **Available to those without computer access**
- **Requires use of SSN and PIN only**
- **Can process benefit transactions without counselor assistance**
- **Can receive faxed back copies of documents (FEHB enrollment form)**
- **Counselors are available 12 hours a day**
- **Automated system available 24 hours a day**
- **Separated employees have access for 180 days**
- **ABC-C toll-free telephone number is 1-877-276-9287 (TDD for the hearing impaired is 1-877-276-9833)**



FOR ADDITIONAL RETIREMENT INFORMATION

CONTACT THE ABC-C

- **Toll Free 1-877-276-9287 (TDD 1-877-276-9833)**
- **Belgium: 0800-78245**
- **Germany: 0800-1010282**
- **Italy: 0800-780821**
- **Japan: 00531-1-20378**
- **Korea: 00798-14-800-4766**
- **Kuwait: 1-877-276-9287 (Dial 809-463-3376 for DSN line, wait for a tone, then dial the toll free number)**
- **Netherlands: 0800-0232739**
- **Saudi Arabia: 1-877-276-9287**
- **United Kingdom: 08-000857723**
- **Counselors are available from 6 am - 6 pm CT**
- **Website: <https://www.abc.army.mil>**
- **Mailing Address: 303 Marshall Avenue, Ft. Riley, KS 66442-5004**

Army Benefits Center - Civilian

1-877-276-9287

Initial Options

Select:
1= Army Civilian
2= DCMA Civilian
3= National Guard
4= Non-Appropriated Fund or Uniformed Service Member

Select:
1= Customer Service Survey
2= Access Benefits and Entitlements
Select:
1= Current or Separated Civilian Employee
2= Retiree or Surviving Spouse
3= Seeking Temporary Continuation of Coverage (FEHB TCC)

To access Benefits and Entitlements:

1= Enter SSN and PIN
1= Change your PIN
2= Continue

2= Forgot PIN

Current Duty Phone

1= Correct
2= Change

Main Menu:

0= Benefits Counselor
1= FEHB
2= Retirement
3= TSP
4= FEGLI
6= Fax Document
9= Exit System

Menu Information Available after Main Menu Option Selected

1 = FEHB:

1= General Information
2= Personal Information
3= New Employee Election
4= Change from Self and Family to Self Only (without changing plan)
5= Open Season Election
6= Cancel FEHB
7= Non-Open Season Change
8= Fax of latest SF 2809
0= Counselor
9= Previous Menu

2 =

Retirement:
1= General Information
2= Personal Information
3= Retirement Estimate
0= Counselor
9= Previous Menu

3 = TSP:

1= Personal Information
2= TSP Election
4= Stop Contributions
5= TSP Catch-Up Election
0= Counselor
9= Previous Menu

4 = FEGLI:

1= General Information
2= Personal Information
3= New Employee Election
4= Non-Open Season Election
5= Open Season Election
6= Fax of Open Season Election
0= Counselor
9= Previous Menu

6 = Faxed Document s:

1= Request a Document
2= Index of Documents
9= Previous Menu

ANY QUESTIONS?

